NUEXCO

EXECUTIVE SUMMARY
REPORT 188
(All data as of March 31, 1984)

Exchange Value **$17.00, down $0.50**	The **Exchange Value** is **$17.00** per pound U_3O_8, down $0.50 since last month. Nine uranium sales transactions are reported, involving approximately 2.5 million pounds U_3O_8 equivalent.
Supply-Demand Ratio **declined to 1.6:1**	Active spot and near-term **uranium supply** amounts to **6.1 million** pounds U_3O_8 equivalent, up 200 thousand pounds from last month. Active spot and near-term **uranium demand** totals **3.8 million** pounds, up 2.5 million pounds. The spot and near-term **supply-demand ratio** declined sharply to **1.6:1.**
Transaction Value **fell $3.25, to $19.25**	The **Transaction Value** is **$19.25** per pound U_3O_8, down $3.25 since last month. It includes 12 transactions involving a total of 3.2 million pounds U_3O_8 and equivalent UF_6 and covers a period of 5 months.
Loan Use Charge Rate **unchanged at 6%**	The **Loan Use Charge Rate** remains **6 percent** per annum.
Conversion Value **climbed to $0.80**	The **Conversion Value** is **$0.80** per pound U as UF_6, up $0.50 since last month. One secondary market conversion transaction is reported. Active secondary market supply of conversion services for delivery within three years totals 3.6 million pounds U as UF_6; active demand amounts to 65 thousand pounds.
SWU Values **$100 for DOE-origin (FY85)** **$80 for non-DOE origin** **(delivery within 15 months)**	The **SWU Values** are **$100** per SWU of DOE origin and FY85 delivery, and **$80** per SWU of non-DOE origin, down $3 since last month. Ten SWU transactions, involving 630 thousand SWUs, are reported this month. Active secondary market SWU supply amounts to approximately 1.5 million SWUs, while active demand totals 860 thousand SWUs.
Essay	Particularly in times of increased market activity, it is useful for all market participants to understand the terms *bid, offer* and *inquiry*, as these terms characterize the typical interactions between buyers and sellers.
Australia	A new proposal by the Minister for Energy and Resources indicates the Australian Labor Party may be moving to moderate its anti-uranium stance.
Japan	Several nuclear units have made recent progress toward commercial operation. The utilities continue to evaluate options for their future enrichment requirements.
South Africa	The 1983 production results from Palabora Mining Company have been issued. Three uranium producers have indicated they will scale back production this year because of low prices.
Spain	The government's new official nuclear generating plan calls for five units currently under construction to be deferred indefinitely.
Analysis and Commentary	An analysis of nuclear units on order and under construction in the USA shows that, despite the current mood of pessimism, 18 units are near commercial operation.
Analysis and Commentary	One of the primary explanations for Japan's successful commercial nuclear power program is the high degree of cooperation between the government and the utilities in planning and licensing power plants.
Basic Considerations	Since 1982 Eurodif's enrichment plant in southern France has had the capacity to produce 10.8 million SWUs per year, but the company's production commitments have fallen well short of capacity.
Raw Materials	The Rossing Project in Namibia is the largest open-pit uranium mine in the world. This Report presents the first half of a two-part article on Rossing.

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NUEXCO REPORT 188 FIGURES OF THE MONTH (March 31, 1984)	This Month (Report 188)	Last Month (Report 187)	12 Months Ago (Report 176)
Exchange Value[1]	17.00	17.50	22.25
Transaction Value[1]	19.25	22.50	21.35
Conversion Value[2]	0.80	0.30	1.40
Loan Use Charge Rate[3]	6%	6%	6%
Near-Term Uranium Supply[4]	6.1	5.9	7.5
Near-Term Uranium Demand[5]	3.8	1.3	2.9
Near-Term Supply-Demand Ratio	1.6	4.5	2.6
Recent Uranium Sales:			
Number of Transactions[6]	9	4	7
Quantity of Material[7]	1.5-3.0	1.5-3.0	6.7-7.4
Nuexco SWU Values:[8]			
DOE origin, FY85 delivery	100	—	—
non-DOE origin, delivery within 15 months	80	83	—
USDOE SWU Prices:			
USEC	135.00	135.00	—
AFC	153.00[11]	138.65	138.65
Requirements	157.00[11]	149.85	149.85
Market Value of Enriched UF_6[9] [10]:			
2.5 w/o U_{235}	530.76	531.70	616.48
3.0 w/o U_{235}	683.62	684.77	790.32
3.5 w/o U_{235}	839.63	840.99	967.34
4.0 w/o U_{235}	997.79	999.36	1,146.70

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per pound U as UF_6.
[3]Per annum.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8, equivalent.
[8]US $ per SWU.
[9]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.20 percent tails assay. Calculations before 2/28/83 used the USDOE price for AFC SWUs. From 2/28/83 through 9/30/83, calculations used the Nuexco SWU Value for the relevant fiscal year. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[10]US $ per KgU as UF_6.
[11]Prices published in the Federal Register on April 4, 1984.

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